

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3048
ANSWERED ON:08.12.2000
PRICES OF PETROLEUM PRODUCTS
MAHBOOB ZAHEDI

Will the Minister of FINANCE be pleased to state:

- (a) whether during the last twelve months the price of petroleum products was increased by 66%;
- (b) Whether due to this abnormal price hike, the worst affected are chemical, transport and Cement Industries;
- (c) whether there is any slump in investments in those industries; and
- (d) If so, the details thereof and the remedial steps taken in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) Prices of petroleum products are reflected in the Wholesale Price Index (mineraloils subgroup) have increased by 45.9% for the week ended November 18,2000 over corresponding period last year.

(b) Prices in the Cement sub-group remained lower than last year till September 2000 and thereafter price rise has been modest, ranging between 1-2% only. The hike in administered prices of petroleum product did push up the prices in the chemicals and the transport sub-groups of the Wholesale Price-Index and price rise in these two groups ranged between 4-6% during 2000-01. Presently, price rise in the chemicals and transport sub-groups is 6.2% and 5.4% respectively.

(c) &(d): No Sir, In fact domestic investment intentions in all the three sub-groups upto October 2000 have recorded an increase over the year as shown in the table below:

Cumulative figures of Demestic Investment in selected sub-sectors (Rs.crores)

Nov. 1999 (Nov.99 - Oct. 00)	Oct. 2000	% increase	
Chemicals	163846	183165	11.8
(except fertiliser)			
Cement & Gypsum)	54642	62476	14.3
Transportation	24095	25330	5.1

Note: Above data has been compiled strictly in terms of the list of scheduled industries as per the Industrial (Development & Regulation) Act 1951.